GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3950
ANSWERED ON:17.08.2001
FOREIGN EXCHANGE RESERVE
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the amount of foreign exchange reserves in the country till date and the amount out of this as bank deposits of NRIs;

(b) the comparative figure during the last three years;

(b) whether the foreign exchange reserves of the country is sufficient; and

(c) if not, the details of the steps being taken by the Government to increase foreign exchange reserve?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) India`s foreign exchange reserves ( including gold and SDRs)amounted to Amounted to US$ 43.81 billion as on August 3, 2001. The foreign exchange reserves with the Reserve Bank of India, which have beenaccumulated over the years, represent the net outcome of India`s international transactions on both the current and capital accounts of balance of payments. Therefore, it is not appropriate to apportion the stock of foreign exchange reserves to any single or group of transactions, including the NRI deposits.

(b) India`s foreign exchange reserves (including gold and SDRs) held by the Reserve Bank of India amounted to US $32.49billion at the end of March 1999, US $38.04 billion at the end of March 2000 and US $42.28 billion at the end of March 2001.

(c) & (d) The level of foreign exchange reserves at present is comfortable, considering the requirements for essential imports, short-term liabilities including debt service payments, and other unforeseen contingencies. The Government and the Reserve Bank ofIndia monitor closely the developments in the balance of payments and take such measures, as are considered necessary, from time to time to increase exports, invisible receipts, including remittances and to enhance inflows of capital, particularly foreign direct investments, so as to help maintain adequate level of foreign exchange reserves.